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Key Official Says State-Federal Pact Should End California's Water Wars

By Marc Lifsher, staff writer

For federal negotiator David Hayes, last week's announcement of a state-federal plan to solve California's historic water wars was a trip back from the brink.

Mr. Hayes, who as deputy secretary is No. 2 at the U.S. Interior Department, says failure would have set off another round of brawling, pitting Silicon Valley chip makers and other urban users against farmers and environmentalists in a three-way legal, political and economic struggle over the state's most precious commodity.

"We would have descended into hand-to-hand combat," says Mr. Hayes, still weary and nursing a cold during a telephone interview.

Instead, he says, the deal -- worked out in months of often-contentious closed-door sessions with the administration of Gov. Gray Davis -- marks a "paradigm shift" in how California and its federal partner can operate their massive public plumbing networks "while building conflict out of the system."

What emerged from the final sessions is an ambitious, \$10 billion, 30-year plan known as "Cal-Fed" that is designed to increase water supplies for all users, including the estimated 25 million more people who will be living in California in 2040. At the same time, the proposal seeks to protect and restore the delicate ecosystem of San Francisco Bay and the Sacramento-San Joaquin River Delta, source of most of the state's drinking water.

The compromise has something for everyone: \$1.3 billion in environmental restoration, \$1 billion for reservoirs and storage facilities, \$1.3 billion for conservation programs, \$1.6 billion for recycling projects and \$800 million for water-quality improvements.

The result is an agreed-upon "framework," which still must be turned into a detailed legal document called a "Record of Decision" over the next four months. The agreement is sure to be the source of continued debate in coming years as Congress and state lawmakers wrestle with dozens of bills to appropriate billions of dollars to make the program a reality.

Here are excerpts of the interview:

What is the agreement's most interesting feature?

It will be structured so that the environment will be treated like a water user. There will be an environmental account, and water will flow to it as it does for agricultural and urban users. That's the only way that [environmental needs] will be considered an equal player. [Advocates for the environment, represented by federal and state resource agencies] will be at the table and involved in all the operational decision-making. It's a huge innovation.

What's in the deal for cities and urban industrial users?

Cities will have more reliability. Some of the cities, in fact, felt the brunt of uncertainty in Silicon Valley last year because of [decisions to turn off pumps to protect] fish. They'll also get much better water because we'll be improving the water quality coming out of the delta. For Los Angeles there's a strong commitment to continuous water-quality improvement and reliability.

And farmers, will they also have a more reliable stream of water for irrigation?

Farmers were ready to go to war, but they will see the advantage of having long-term stability in the system. They suffered through uncertainties during the last water year. Because of the impact of [federal laws setting aside water for the environment], there were too many conflicts. The system was way too tight and there wasn't enough flexibility. The existence of an environmental water account and storage will ease that conflict. Farmers will have more certainty [of supply], and construction of new [storage] facilities will ease tensions in the long term.

But what happens in a year or years of drought? How does the water get divvied up among environmental, urban and agricultural users?

Everyone suffers, and everyone shares the pain because everyone's water gets shorted. But whatever share there is won't be fought over, and we will get out of the cycle of conflict. [The environment] will have a piece of the storage, water that's [previously] purchased and stored, and it'll be used when necessary.

How will supplies from 380,000 acre-feet a year available from the environmental water account interact with the 800,000 acre-feet already provided by federal law in the Central Valley Project Improvement Act?

The environmental water account supply comes on top. The court has affirmed the federal policy and the [800,000 acre-feet] are here to stay.

Gov. Davis and U.S. Interior Secretary Bruce Babbitt have rallied a variety of supporters from industry, agricultural and environmental groups to support the plan. Can this show of unity last?

That's the important, unanswered question. Forces could come to the fore to try to blow this apart. I think that would be incredibly unfortunate if that were to happen. There are a lot of aspects to this that different people don't like, but we have to have a concerted effort to resolve the issues and keep everyone together.

What happens now?

There will be a need to implement much of this with appropriations in the California Legislature and Congress, presumably next year. It's essential that this remain bipartisan. #